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DEPT PLEASE PASS TO USTR/STROJE, PCOLEMAN
COMMERCE FOR 4510/ITA/IEP/ANESA/OA/JDIEMOND

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TAGS: [ETRD](#) [ENRG](#) [SENV](#) [SF](#)

SUBJECT: SOUTH AFRICA: INFORMATION ABOUT PROPOSED
REGULATIONS ON PETROLEUM PRODUCTS SPECIFICATIONS AND
STANDARDS

REF: SECSTATE 19075

¶1. (SBU) Summary. Econoff met with Department of Minerals and Energy and Department of Trade and Industry officials to deliver reftel points. In both instances, officials confirmed that they had not notified the WTO Secretariat of the revised regulations gazetted on January 13, and seemed unsure as to whether they would or were required to do so. The officials also offered their views as to how the regulations did or did not affect the use of Methylcyclopentadienyl Manganese Tricarbonyl (MMT) as an octane raising fuel additive in South Africa. End Summary.

¶2. (SBU) At the Department of Minerals and Energy (DME) on February 23, Econoff met with Chief Director for Hydrocarbons Henry Gumede, Director for Petroleum Regulations Muzi Mkhize, and Director for Petroleum Policies Elizabeth Marabwa. Gumede explained that the comment period on the revised Vehicle Emissions Standards (VES) gazetted on January 13 would end March 14 and that the new standards would be promulgated by March 31. He stated that DME had reviewed all available scientific evidence and continued to consult with the Department of Trade and Industry (DTI), the South African Bureau of Standards, the Chemical and Allied Industries Association, as well as other stakeholders. None of the three DME officials had given any thought to again notifying the WTO Secretariat of the revised VES released on January 13, but did say that they would look into it.

¶3. (SBU) Acknowledging Afton Chemical's concerns that the new VES would exclude its product, MMT, from the unleaded market in South Africa (because MMT was relegated to cars equipped to take lead replacement gasoline from large nozzles), Mkhize explained that the new regulation did "not even once mention the nozzle size." He claimed that "exactly the same standard was being applied to "metal containing" and "non metal containing" fuel pumps." As far as nozzle sizes on the pumps were concerned, it was up to the industry to decide which pumps and nozzles would be used and for what. The Department of Minerals and Energy had no influence on the decision. Gumede further explained that DME had looked into it and "decided that it was not our battle," since, as far as they were concerned, there was clearly no technical regulation involved. He then asked rhetorically, "What in our regulations is saying that we are effectively banning MMT?"

¶4. (SBU) Mkhize, who chaired the stakeholders meeting on February 8, made a point of adding that Afton Chemical "was the only one who showed up (to the stakeholders meeting) with

lawyers," an act which he clearly viewed as offensive.
(Comment: Separately, Afton reported a number of irregularities in the conduct of the day-long stakeholders' meeting, including the fact that MMT was not raised until the last 30 minutes, although MMT was first on the revised agenda. In addition, in contravention to stated rules of the meeting, which was that all stakeholders should be given the opportunity to hear comments made by others, one notable stakeholder opposing MMT was allowed to refuse comment on its submission because Afton had a lawyer present. End Comment.)

¶ 15. (SBU) On February 27, Econoff met with the Director for Market Access Rudolph Brits at the Department of Trade and Industry to go over refel points. Brits confirmed that South Africa had not notified the WTO of the revised Vehicle Emissions Standards (VES) released for comment on January 13, but argued that South Africa had no obligation to notify the WTO since the proposed VES were based on established international standards and not formulated domestically. He explained that the VES was based on "Euro 2 Standards" and the "Worldwide Fuel Charter," as well as other industry and international standards, in addition to consultations with motor vehicle manufacturers, etc." (Comment: Afton claims that the Worldwide Fuel Charter is not an international standard, but rather a motor industry document that advocates an industry position.) Furthermore, Brits said that the proposed VES were in line with the World Summit on Sustainable Development. Brits later commented that while many of the refiners were international companies, the government would probably endeavor to also consult internationally on the VES.

¶ 16. (SBU) On the role of technical standards supporting the VES, Brits said that, for the time being, the technical committee at the South African Bureau of Standards (SABS)

that formulated South African National Standard (SANS) 1598 on unleaded gasoline, was governed by both DME and DTI. (Note: Afton points out that that SANS 1598 is the standard referred to in the VES that restricts gasoline containing MMT to pumps with nozzles that fit only vehicles designed for leaded gasoline -- vehicles being phased out in South Africa). However, since DME possessed the operational expertise needed in this instance, Brits said that governance of the SABS technical committee on unleaded fuel fell to DME; the final decision would be up to them. He added that in the future, governance of all technical committees at SABS may fall under DTI, since SABS reported to DTI, but no decision had yet been taken.

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